

Mine May Be Site For Superfund
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Molycorp Plans To Fight Designation

Federal environmental regulators plan to propose listing Molycorp's mine in Questa as a Superfund site, a move they believe could ultimately stem the flow of toxic metals into the Red River.

The U.S. Environmental Protection Agency is performing its final review of the Superfund listing proposal, tentatively slated for late January.

If the EPA and Gov. Gary Johnson both approve the proposal, Molycorp's molybdenum mine could formally join 1,200 of the nation's most contaminated sites on the National Priority List -- 11 in New Mexico -- as early as April. Molycorp says it will fight the listing, starting with an effort to win Johnson's opposition.

State and federal regulators turned to Superfund because talks with the California-based Molycorp about cleanup collapsed. Molycorp was willing to research contamination but shied at promising a cleanup, said state officials.

"We came to the same impasse," said Maura Hanning, a geologist in charge of Superfund oversight for the New Mexico Environment Department.

"They felt the state was requiring them to write a blank check for cleanup," she said.

The mine has been producing molybdenum, a steel-hardening agent, for 80 years. The company reports that six ore deposits remain, worth \$700 million at average prices.

A Superfund listing would put the mine on a schedule of intensive scientific studies, selection of a cleanup plan and then cleanup. The work is likely to take years and cost tens, possibly hundreds of millions of dollars. Superfund would make Molycorp and possibly its parent company, Unocal, liable for those costs.

Molycorp executives have told state officials that the mine probably could not continue to operate if listed. State officials disagree.

The cleanup would likely center on Molycorp's piles of waste rock, estimated at more than 300 million tons. Recent state and federal studies peg those piles as a leading source of an acidic soup of toxic metals that contaminates local ground water, which then seeps into the Red River, a major tributary to the Rio Grande. Metals have contaminated a single residential well. The acid leachate also picks up aluminum, a nerve toxin that is thought to have eliminated the river's wild trout population.

"The Red River is a major concern," said Susan Webster, Superfund site-assessment team leader for

the **EPA** 's Dallas regional office. "You have miles of land and ecosystem there that are contaminated."

Molycorp officials vigorously deny the mine has polluted ground water and the river. Instead, they blame natural rock scars for the acid-metal **pollution** .

The **EPA** and the state disagree. They say they are prepared to defend their Superfund listing proposal in court.

"Molycorp is just in this state of denial," said Bill Turner, a hydrologist and the state's Natural Resources trustee.

With the failure of negotiations with Molycorp, Turner plans to pursue cash damages from the company for the value of contaminated water and soil, plus lost fish and other impacts.

By moving, burying or covering the waste-rock piles, scientists suggest much of the contamination can be halted.

"We hope Molycorp can stay in operation. We don't think the Superfund listing will prevent them from operating," said the state's Hanning.

Hanning said the state is asking the **EPA** to add Molycorp's workers to a job-retraining program that could help them get jobs as mine reclamation workers.

Hanning is to meet next week with mayors of Red River and Questa to try to gain their support for the Superfund listing.

If the mine is listed, Molycorp or **EPA** scientists will embark on an intensive study of the site. They could propose a plan in as little as two years.

Environmentalists have estimated cleanup costs for the mine at more than \$100 million, but the price depends heavily on whether the goal is halting or actually removing or reversing contamination.

"We're talking tens of millions at least," Turner said.

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